

RANSACTION REPORT

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State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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August 9, 1996

CERTIFIED RETURN RECEIPT P 074 976 366

Allan R. Cerny, Secretary
Western States Minerals Corporation
4975 Van Gordon Street
Wheat Ridge, Colorado 80033

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 2
To Allan R. Cerny	From Lowell Braxton	
Co. Western States	Co. UTAH- DOGM	
Dept.	Phone # 538-5370	
Fax # (303) 425-6634	Fax # 359-3940	

Re: Division Directive to Commence Reclamation, Western States Minerals Corporation,
Drum Mine, M/027/007, Millard County, Utah

Dear Mr. Cerny:

This letter is sent advising you that the Division is hereby initiating...

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August 9, 1996

CERTIFIED RETURN RECEIPT
P 074 976 366

Allan R. Cerny, Secretary
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4975 Van Gordon Street
Wheat Ridge, Colorado 80033

Re: Division Directive to Commence Reclamation, Western States Minerals Corporation,
Drum Mine, M/027/007, Millard County, Utah

Dear Mr. Cerny:

This letter is sent advising you that the Division is hereby initiating the enforcement provisions as outlined under the Utah Mined Land Reclamation Act, Title 40-8-21(3) and more specifically, Minerals Rule R647-4-117.4 (Notification of Suspension or Termination of Operations). These regulatory provisions authorize the Division to require reclamation of a large mining operation after five (5) years of continued suspension. Title 40-8-16(2)(c) authorizes the Division to withdraw approval of a notice of intention after mining operations are continuously shut down for a period in excess of five years.

A partial permit transfer agreement was entered into between WSMC, Jumbo Mining Company (JMC) and the Division of Oil, Gas and Mining in August of 1989. This agreement effectively transferred the continued mining and reclamation responsibility of roughly two thirds (2/3rds) of the Drum mine site from WSMC to JMC. Western States retained reclamation responsibility for approximately 41.52 acres of surface disturbance. No mining or reclamation activities have been conducted by WSMC on these disturbed areas since the effective date of the transfer agreement.

Western States Minerals Corporation (WSMC) is hereby directed to commence immediate reclamation of its portion of the surface disturbance associated with the Drum Mine, located in Millard County, Utah. Reclamation must be conducted in accordance with the reclamation performance standards as outlined under Rules R647-4-110 & R647-4-111.

